GOVERNMENT OF INDIA
HEALTH AND FAMILY WELFARE
LOK SABHA

UNSTARRED QUESTION NO:576
ANSWERED ON:17.07.2002
FDI LIMIT IN PHARMACEUTICALS
ANANDRAO ADSUL

Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether the decision to increase FDI limit in pharmaceuticals to 100 per cent from 74 per cent has evoked a good response;

(b) if so, whether some Pharma-companies have applied to the Foreign Investment Promotion Board (FIPB) to hike their stake to 100 per cent;

(c) if so, the number of such cases so far cleared by FIPB; and

(d) the extent to which this decision has helped the pharmaceutical companies?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI A. RAJA)

(a) to (d) : Subsequent to the issuance of Press Note No. 4 of 2001 Series dated 21.5.2001 allowing 100% Foreign Direct Investment (FDI) on the automatic route for manufacture of drugs and pharmaceuticals, except for activities attracting compulsory licensing or involving use of recombinant DNA technology, and specific cell / tissue targeted formulations, a total number of 41 cases have been approved for foreign collaboration by FIPB and RBI (under its automatic route) with total investment intentions of Rs. 302.89 croreOut of these, 4 cases have been approved by FIPB for increase in foreign equity to 100% in the Drugs and Pharmaceuticals Sector involving investment intentions of Rs. 6.69 crore. A total number of 257 proposals involving a total investment of Rs. 2916.81 crore have been granted in this Sector from 1.8.91 to 31.5.2002.